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December 24, 1991

17650
RECORDATION NO. _____ FILED 1991
DEC 30 1991 -8 11 PM
INTERSTATE COMMERCE COMMISSION

Secretary
Interstate Commerce Commission
Twelfth St. and Constitution Ave., N.W.
Washington, DC 20423

Dear Secretary:

Enclosed are an original and one counterpart of the document described below to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This document is a Security Agreement, a primary document, dated December 23, 1991.

The names and addresses of the parties to the document are as follows:

Debtor: J & J Railroad, Inc.
P. O. Box 131
Hardin, Kentucky 42048

Secured Party: Bank of Benton
1012 Main Street
Benton, Kentucky 42025

The equipment covered by the document is a 1949 General Electric SW1 switch engine bearing serial number 643 and marked "J & J Railroad."

A fee of \$15.00 is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to Julia T. Crenshaw, P. O. Box 2, Hopkinsville, Kentucky 42241.

A short summary of the document to appear in the index is as follows: Security Agreement dated as of December 23, 1991, between J & J Railroad, Inc., P. O. Box 131, Hardin, Kentucky 42048, and Bank of Benton, 1012 Main Street, Benton, Kentucky

MOTOR OPERATING UNIT
DEC 30 3 24 PM '91

Secretary
Interstate Commerce Commission

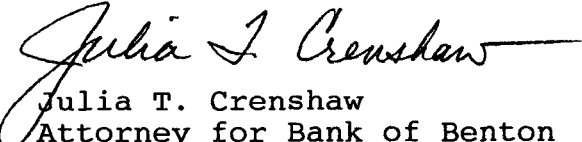
-2-

December 24, 1991

42025, and covering a 1949 General Electric SW1 switch engine bearing serial number 643 and marked "J & J Railroad" together with all equipment and accessories attached thereto or used in connection therewith.

Very truly yours,

WHITE, WHITE, ASKEW & CRENSHAW


Julia T. Crenshaw
Attorney for Bank of Benton

JTC/bbs

Enclosures

Interstate Commerce Commission
Washington, D.C. 20423

12/31/91

OFFICE OF THE SECRETARY

Julia T. Crenshaw

White, White, Askew & Crenshaw

707 South Main Street

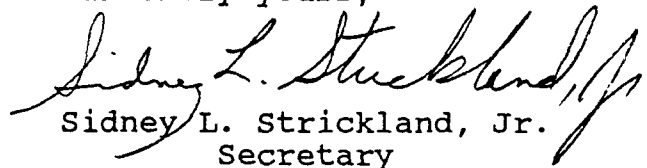
P.O. Box 2

Hopkinsville, KY. 42241

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 12/30/91 at 3:30pm , and assigned recordation number(s). 17650

Sincerely yours,


Sidney L. Strickland, Jr.
Secretary

SECURITY AGREEMENT

17650
RECORDATION NO. _____ FILED 1425

DEC 30 1991 - 3 32 PM

INTERSTATE COMMERCE COMMISSION

This is a Security Agreement dated as of December 23, 1991, between J & J RAILROAD, INC. ("J & J"), a Kentucky corporation, P. O. Box 131, Hardin, Kentucky 42048, and BANK OF BENTON ("Secured Party"), a Kentucky banking corporation, 1012 Main Street, Benton, Kentucky 42025.

Recitals

A. Pursuant to a Loan Agreement dated as of even date herewith (the "Loan Agreement") among Secured Party, Hardin Grain Elevator, Inc. ("Borrower"), Jack N. Dunigan and Dianne Dunigan, Secured Party has agreed to make available to Borrower a line of credit in the maximum amount of \$260,000.00.

B. To induce Secured Party to enter into the Loan Agreement and to make the line of credit available to Borrower, Secured Party is requiring J & J to execute and deliver to Secured Party a Guaranty dated as of even date herewith (the "Guaranty") in which J & J guarantees Borrower's performance of all of its obligations under the Loan Agreement and related documents.

C. J & J desires to enter into this Agreement to grant a security interest in favor of Secured Party in the Collateral (as defined below) to secure its obligations under the Guaranty.

NOW, THEREFORE, Borrower and Secured Party have agreed as follows:

1. Definitions. As used in this Agreement, the terms and phrases defined in the Loan Agreement and in the preamble and Recitals hereto shall have the meanings given them there, and the following terms and phrases shall have the following meanings:

"Collateral" shall mean all of the property in which J & J grants Secured Party a security interest hereunder.

"Default" shall have the meaning given it in paragraph 7 of this Agreement.

"Engine" shall mean J & J's 1949 General Electric SW1 switch engine bearing serial number 643 and marked "J & J Railroad" together with all equipment and accessories attached thereto or used in connection therewith.

"Secured Obligations" shall mean the obligations secured by this Agreement as described in paragraph 3 of this Agreement.

"Tangible Property" shall mean of the equipment, trade fixtures, furnitures, leasehold improvements, office supplies and other tangible personal property, excluding Inventory, now or hereafter owned by J & J and/or used or intended for use by J & J in the conduct of its business.

"Track" shall mean the railroad track and fixtures, and materials appurtenant thereto, including, without limitation, rails, ties and ballasts, now owned or hereafter acquired by J & J which are now or hereafter attached to J & J's strip of land running from Hardin, Kentucky, and Murray, Kentucky.

2. Grant of Security Interest. J & J hereby grants Secured Party a security interest in all of J & J's right, title and interest in and to (a) the Engine, the Track and the Tangible Property, and (b) in the proceeds or products of any sale, exchange, collection or other disposition of the Collateral or any part thereof.

3. Obligations Secured. The security interest created hereby secures payment and performance of (a) all obligations of J & J under the Guaranty, and (b) any and all indebtedness, obligation or liability of J & J to Secured Party, however evidenced, whether existing on the date of this Agreement or arising hereafter, direct or indirect, absolute or contingent arising out of or in connection with the Guaranty.

4. Representations and Warranties. To induce Secured Party to enter into this Agreement, all of the representations and warranties made by the Borrower Group in the Loan Agreement are incorporated herein by reference, and J & J further represents and warrants as follows:

(a) J & J has good and marketable title to the Engine, the Track and the Tangible Property free and clear of all encumbrances, mortgages, pledges, liens, charges, restrictions or other security interests of any kind other than the security interest created in favor of Secured Party and the prior security interest created in favor of Citizens Bank and Trust Company of Paducah, Inc.

(b) J & J's principal place of business is located at Railroad Avenue, Hardin, Kentucky 42048.

(c) J & J's registered office as set forth in its most recent corporate filing with the Secretary of State which officially designates its current registered office, is located at Hardin, Kentucky 42048.

(d) The Engine is located primarily at Railroad Avenue, Hardin, Kentucky, but is moved from time to time along J & J's railroad track running between Hardin, Kentucky, and

Murray, Kentucky. The Track is located on and attached to J & J's real estate in Marshall County and Calloway County, Kentucky. The Tangible Property is located at Railroad Avenue, Hardin, Kentucky.

(e) The Collateral is used and will be used for business purposes only.

5. Duration of Security Interest. Secured Party, its successors and assigns, shall hold the security interest created hereby upon the terms of this Agreement, and this Agreement shall continue until the Secured Obligations have been paid or performed in full.

6. Covenant Not to Dispose of or Impair Collateral. Without the prior written consent of Secured Party, J & J shall not sell, transfer, or otherwise dispose of the Collateral or any part thereof or interest therein, except items of Tangible Property which are no longer necessary to the conduct of J & J's business. J & J shall not permit any of the Collateral to be levied upon under any legal process, nor shall J & J permit anything to be done that may impair the value of the Collateral or the security intended to be provided by this Agreement.

7. Default. At the option of Secured Party, the occurrence of any Event of Default under the Loan Agreement shall constitute a default under this Agreement (a "Default").

8. Remedies. Upon any Default, Secured Party may, at its option, declare any and all of the Secured Obligations to be immediately due and payable, and in addition to exercising all of its rights and remedies, Secured Party may proceed to exercise with respect to the Collateral, all rights, options and remedies of a secured party upon default as provided for under the Uniform Commercial Code.

9. Cumulative Remedies. The rights and remedies of Secured Party shall be deemed to be cumulative, and any exercise of any right or remedies shall not be deemed to be an election of that right or remedy to the exclusion of any other right or remedy. Notwithstanding the foregoing, Secured Party shall be entitled to recover by the cumulative exercise of all remedies no more than the sum of (a) the Secured Obligations remaining outstanding at the time of exercise of remedies plus (b) the costs, fees and expenses Secured Party is otherwise entitled to recover.

10. Waivers. J & J waives, to the extent permitted by applicable law, any requirement of marshaling assets or proceeding against persons or assets in any particular order and any and all notices of every kind and description which may be required to be given by any statute or rule of law and any defense of any kind which J & J may now or hereafter have with respect to liability under this Agreement.

11. Secured Party as Agent. J & J hereby irrevocably constitutes Secured Party as its agent and attorney-in-fact at any time after the occurrence of a Default to proceed against account debtors obligated on any Collateral in its name or in Secured Party's name, sign and endorse all checks, drafts and other instruments in payment of the Collateral and perform all such other acts with respect to the Collateral as Secured Party may in its discretion deem necessary to effectuate the security interest intended to be granted by this Agreement.

12. Fees and Expenses. J & J shall pay to Secured Party upon demand all out-of-pocket expenses incurred by Secured Party in connection with the transactions contemplated hereby, including, without limitation, the reasonable attorneys' fees incurred in preparing this Agreement, and any and all costs and fees incurred in connection with the recording or filing of any financing, continuation or termination statement or other documents or instruments in any public office necessary to perfect or protect or to maintain or terminate the perfection of the security interest created by this Agreement. J & J shall upon demand reimburse Secured Party for such costs, and until reimbursement such costs shall be a part of the Secured Obligations.

13. Certain Obligations Regarding Collateral. J & J shall maintain the Collateral in good condition and repair and maintain the Engine and other Tangible Property under adequate condition of storage to prevent its deterioration or depreciation in value. J & J shall comply in all material respects with all valid and applicable statutes, rules and regulations of the United States of America, of the states thereof and their counties, municipalities and other subdivisions and of any other jurisdiction applicable to J & J, the conduct of its business or the operation of the Engine, including, without limitation, the rules and regulations of the U. S. Department of Transportation and the U. S. Interstate Commerce Commission.

14. Notices.

(a) Any requirement of the Uniform Commercial Code or reasonable notice shall be met if such notice is given at least five (5) business days before the time of sale, disposition or other event or thing giving rise to the requirement of notice.

(b) All notices or communications under this Agreement shall be made in accordance with Section 12.16 of the Loan Agreement and addressed to the parties as set forth in that Section 12.16.

15. Further Assurances. From time to time, J & J shall sign such other documents and instruments and take such other action as Secured Party may reasonably request to create and maintain more fully the security interest in the Collateral

intended to be created in this Agreement and to perfect any such interest.

16. Miscellaneous.

(a) The failure by Secured Party to exercise any right shall not be deemed a waiver of that right, and any single or partial exercise of any right shall not preclude the further exercise of that right. Every right of Secured Party shall continue in full force and effect until such right is specifically waived in a writing signed by Secured Party.

(b) If any part, term or provision of this Agreement is held by any court to be prohibited by any law applicable to this Agreement, the rights and obligations of the parties shall be construed and enforced with that part, term or provision in force to the greatest extent allowed by law, or if it is totally unenforceable, as if this Agreement did not contain that particular part, term or provision.

(c) The headings in this Agreement have been included for ease of reference only and shall not be considered in the construction or interpretation of this Agreement. All right and obligations of Secured Party hereunder shall benefit and bind Secured Party, its successors and assigns, and all obligations of J & J under this Agreement shall bind its successors and assigns.

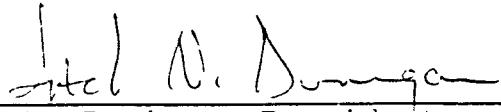
(d) To the extent allowed under the Uniform Commercial Code, this Agreement shall in all respects be governed by and construed in accordance with the laws of the Commonwealth of Kentucky.

(e) This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior understandings of the parties with respect to the subject matter hereof. No change, modification, amendment or termination of this Agreement shall be enforced unless in writing and signed by the parties hereto.

IN WITNESS WHEREOF, J & J and Secured Party have executed this Agreement as of the date set forth in the preamble hereto.

J & J RAILROAD, INC.

By


Jack N. Dunigan, President

Date:

12/23/91

BANK OF BENTON

By Gary E. Clark, V.P.
Gary E. Clark
Vice President

Date: 12/23/91

STATE OF KENTUCKY)
 : SCT
COUNTY OF MARSHALL)

The foregoing Security Agreement was subscribed, acknowledged and sworn to before me by Jack N. Dunigan, the President of J & J Railroad, Inc., a Kentucky corporation, on behalf of the corporation, on December 23, 1991.

My commission expires 3-13-94.

Jean Beck
NOTARY PUBLIC

(SEAL)

STATE OF KENTUCKY)
 : SCT
COUNTY OF MARSHALL)

The foregoing Security Agreement was subscribed, acknowledged and sworn to before me by Gary E. Clark, the Vice President of Bank of Benton, a Kentucky corporation, on behalf of the corporation, on December 23, 1991.

My commission expires 3-13-94.

Jean Beck
NOTARY PUBLIC

(SEAL)